

## Message Text

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42

ACTION EA-10

INFO OCT-01 ISO-00 AID-05 EB-07 TRSE-00 PM-03 INR-07 IO-10

L-02 NSAE-00 NSC-05 PA-01 DPW-01 PRS-01 OMB-01 SS-15

SSO-00 /069 W

----- 008972

R 231255Z APR 75

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 5747

INFO AMEMBASSY BANGKOK

AMCONSUL CAN THO

AMEMBASSY JAKARTA

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA/ATCS-WL-DSA

CINCPAC

CINCPACAF

CINCPACFLT

USDAO SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY COTONOU

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY STOCKHOLM

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

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C O N F I D E N T I A L SECTION 1 OF 2 SAIGON 5512

CINCPAC FOR POLAD  
DEPT PASS IBS/NCA

EO 11652: GDS  
TAGS: PINR PINS PINT VS ECON PFOR  
SUBJECT: EMBASSY SAIGON'S MISSION WEEKLY FOR APRIL 17-23, 1975

WEEKA ITEMS

--PRESIDENT THIEU RESIGNS

--GVN NOTE CALLING FOR CEASEFIRE AND RESUMPTION OF  
NEGOTIATIONS

--BUSINESS ACTIVITY CONTINUES ON SHARP DOWNTREND

--EXPORTS THREATENED ON SEVERAL FRONTS

--GOLD, DOLLAR RATES SOAR

-- FOOD PRICES UP ON BROAD FRONT

I. INTERNAL

A. PRESIDENT THIEU RESIGNS

MOST SIGNIFICANT EVENT OF WEEK WAS RESIGNATION OF  
PRESIDENT THIEU WHICH HE ANNOUNCED IN LIVE SPEECH TELE-  
VISED FROM INDEPENDENCE PALACE AT 1945 ON APRIL 21. SPEECH  
WAS DELIVERED IN PRESENCE OF MORE THAN 200 DIGNITARIES  
INCLUDING MINISTERS, VICE MINISTERS, JUSTICES OF SUPREME  
COURT AND CHAIRMEN OF SENATE AND LOWER HOUSE. IN ONE AND  
ONE-HALF HOUR SPEECH, PRESIDENT THIEU RECITED IN CONSIDERABLE  
DETAIL RECENT EVENTS IN VIET NAM AND GAVE OVERVIEW OF  
NEGOTIATIONS SURROUNDING PARIS AGREEMENTS. THIEU ALSO  
DISCUSSED ASSURANCES HE STATED HE HAD RECEIVED FROM FORMER  
PRESIDENT NIXON THAT IN EVENT OF COMMUNIST AGGRESSION, US  
WOULD REACT IMMEDIATELY (SAIGON 5405). WHILE THIEU WAS  
CRITICAL OF US/INDOCHINA POLICY, ESPECIALLY IN PERIOD  
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FOLLOWING PARIS AGREEMENTS, HIS COMMENTS WERE CERTAINLY  
NO MORE SEVERE THAN NUMBER RECENT SAIGON VERNACULAR  
PRESS EDITORIALS.

FOLLOWING THIEU ADDRESS, NEW PRESIDENT TRAN VAN HUONG  
(FORMER VICE PRESIDENT) ASCENDED ROSTRUM, TOOK OATH OF  
OFFICE AND DELIVERED BRIEF INAUGURAL ADDRESS. HUONG NOTED  
THAT TO ASSUME PRESIDENCY WAS "HEAVY RESPONSIBILITY".

HE ALSO CALLED FOR UNITY AMONG PEOPLE "IN ORDER TO SURVIVE" AND REMINDED TROOPS THAT NATION DEPENDED ON THEM. HE ALSO PROMISED THAT AS AN HONORARY SERGEANT HE WOULD STAND BY THEM.

VIETNAMESE REACTION TO RESIGNATION GENERALLY ONE OF RELIEF THAT VIOLENT GOVERNMENTAL CHANGE WAS AVERTED IN FAVOR OF ORDERLY PROCESS OF SUCCESSION, THEREBY PRESERVING CONSTITUTIONALITY OF GVN. FEW PEOPLE EXPRESSED BELIEF HOWEVER, THAT PRESIDENT RAN VAN HUONG WOULD BE ABLE TO PROVIDE DYNAMIC AND EFFECTIVE LEADERSHIP CURRENT CRITICAL SITUATION DEMANDS. THERE ARE NOW REPORTS THAT HUONG WILL REORGANIZE HIS GOVT UNDER A NEW PRIME MINISTER.

ALL SAIGON DAILIES OF APRIL 23 CARRIED BANNER HEADLINES ANNOUNCING RESIGNATION AND FRONT-PAGED PICTURES OF NEW PRESIDENT. CHINH LUAN (CONSTRUCTIVE OPPOSITION) PROCLAIMED IN SUBHEADING ON FRONT PAGE THAT: "WHATEVER GOVERNMENT IS SET UP, IT WILL BE IN ORDER TO NEGOTIATE." SAME ISSUE CARRIED AFP ARTICLE TO EFFECT THAT PRESIDENT FORD HAD NOT COMPELLED THIEU TO RESIGN. CHINH LUAN ALSO CARRIED SUBHEADING DECLARING THAT: "PRESIDENT THIEU DENOUNCED US FOR ITS INHUMANE ATTITUDE AND BETRAYAL OF RVN." PRO-GOVERNMENT QUAT CUONG HERALDED RESIGNATION AS "SUPREME SACRIFICE TO SAVE COUNTRY." ADDRESS WAS REBROADCAST SEVERAL TIMES ON RADIO ON APRIL 22-23.

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INFO OCT-01 ISO-00 AID-05 EB-07 TRSE-00 PM-03 INR-07 IO-10

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SSO-00 /069 W

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R 231255Z APR 75

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 5748

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AMEMBASSY JAKARTA  
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AMEMBASSY SEOUL  
AMEMBASSY TOKYO  
USIA WASHDC  
USDEL JEC PARIS  
CIA  
DIA  
JCS  
JUSMAAG  
WHITE HOUSE  
USAJFKCMA/ATCS-WL-DSA  
CINCPAC  
CINCPACAF  
CINCPACFLT  
USDAO SAIGON  
AMEMBASSY LONDON  
AMEMBASSY BUDAPEST  
AMEMBASSY CANBERRA  
AMEMBASSY COTONOU  
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C O N F I D E N T I A L SECTION 2 OF 2 SAIGON 5512

CINCPAC FOR POLAD  
DEPT PASS IBS/NCA

## II. EXTERNAL

### A. GVN NOTE CALLING FOR CEASEFIRE AND RESUMPTION OF NEGOTIATIONS

ON APRIL 23, GVN RELEASED TEXT OF NOTE CALLING FOR  
CEASEFIRE AND RESUMPTION OF NEGOTIATIONS WHICH IT IS NOW  
TRANSMITTING TO PARTICIPANTS IN PARIS CONFERENCE ON  
VIET NAM. NOTE REAFFIRMS GVN'S "COMMITMENT TO THE STRICT  
RESPECT AND FULL IMPLEMENTATION OF THE AGREEMENT ON  
ENDING THE WAR AND RESTORING PEACE SIGNED IN PARIS ON 27  
JANUARY 1973." NOTE ALSO RENEWS GVN OFFER TO "REOPEN  
IMMEDIATELY, AND WITHOUT ANY PRECONDITIONS, THE NEGOTIATIONS  
WITH THE OTHER SIDE IN ORDER TO REACH A PEACEFUL SOLUTION  
FOR THE EXISTING CONFLICT." DECLARING THAT GVN STANDS  
READY TO RESUME NEGOTIATIONS ON ALL ISSUES WITHIN FRAMEWORK OF  
PARIS AGREEMENT, INCLUDING ESTABLISHMENT OF A NATIONAL COUNCIL

FOR RECONCILIATION AND CONCORD, NOTE ALSO CALLS FOR IMMEDIATE  
CEASEFIRE AND MAKES APPEAL TO ALL PARTIES OF ACT OF INTERNATIONAL  
CONFERENCE ON VIET NAM TO TAKE ALL NECESSARY MEASURES TO END  
HOSTILITIES AND RESUME NEGOTIATIONS BOTH IN PARIS AND IN SAIGON.

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BEGIN LIMITED OFFICIAL USE

### III. ECONOMIC

#### A. BUSINESS ACTIVITY CONTINUES ON SHARP DOWNTREND

THE DECLINE IN BUSINESS ACTIVITY NOTED IN THE APRIL 16  
MISSION WEEKLY APPEARED TO GAIN MOMENTUM LAST WEEK WITH WIDE-SPREAD  
PLANT CLOSING AND PRODUCTION CUTBACKS. LACK OF CONSUMER DEMAND  
WAS THE PRINCIPAL FACTOR. MERCHANTS GENERALLY ARE LIQUIDATING  
INVENTORIES TO THE EXTENT POSSIBLE, AND PRODUCERS REPORT VIRTUALLY  
NO SALES ACTIVITY. LACK OF CREDIT AVAILABILITY IS AN OFT-CITED  
FACTOR IN THE DECISION OF MANY FIRMS TO CEASE OR REDUCE OPERATIONS.  
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THE BANKS, FACED WITH CONTINUING NET DEPOSIT WITHDRAWALS AND OVER-  
DUE LOAN REPAYMENTS ARE EXTREMELY RELUCTANT, IF NOT UNABLE, TO  
GRANT NEW LOAN EXTENSIONS UNDER PREVAILING CIRCUMSTANCES.

#### B. EXPORTS THREATENED ON SEVERAL FRONTS

WELCOME NEWS FROM THE EXPORT FRONT WAS THE SHIPMENT BY  
ARTASIA, INC. OF \$150,000 WORTH OF CERAMICS. A SIZEABLE SHIPMENT  
OF FROZEN SHRIMP WAS ALSO EFFECTED DURING THE WEEK. GENERALLY,  
HOWEVER, EXPORTERS WERE BESET BY MOUNTING DIFFICULTIES: LACK OF  
SHIPPING, UNAVAILABILITY OF CREDIT, AND MOST RECENTLY ESCALATING  
WAR RISK SURCHARGES. THE LATTER ARE SCHEDULED TO RISE TO \$125 A  
TON BY APRIL 30, A LEVEL THAT WOULD IMPACT HEAVILY ON THE COST OF  
IMPORTED GOODS, AS WELL AS GREATLY DAMAGING THE COMPETITIVE POSI-  
TION OF VIETNAMESE EXPORTERS.

#### C. GOLD, DOLLAR RATES SOAR

DEMAND FOR DOLLARS ROSE SHARPLY DURING THE WEEK, WITH THE  
PRICE OF A \$100 BILL SOARING FROM 1600 PIASTERS ON APRIL 14 TO 2200  
ON APRIL 21 AND TO 2900 ON APRIL 23. THE GOLD PRICE MOVED MORE  
SLOWLY, REACHING 260,000 PIASTERS PER TAE (EQUIVALENT TO \$98 PER  
OUNCE AT THE BLACK MARKET DOLLAR RATE) ON APRIL 21, AND TO 300,000  
ON APRIL 23.

#### D. FOOD PRICES UP ON BROAD FRONT

THE USAID RETAIL PRICE INDEX ROSE 2.1 PERCENT DURING THE

WEEK, WITH THE FOOD PRICE PORTION OF THE INDEX UP BY 3.5 PERCENT. RICE PRICES ROSE 2 TO 4 PERCENT. MEAT PRICES WERE STEADY, BUT MOST FISH AND VEGETABLES WERE UP IN A RANGE OF 3 TO 15 PERCENT.

PRICES OF APPAREL WERE GENERALLY DOWN TO ACCOUNT FOR A 0.3 PERCENT DECLINE IN NON-FOOD PRICES. THE PRICE DECLINES REFLECTED THE GENERAL ABSENCE OF CONSUMER DEMAND AND INVENTORY LIQUIDATION NOTED IN SECTION A ABOVE.  
MARTIN

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## Message Attributes

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**Channel Indicators:** n/a  
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**Draft Date:** 23 APR 1975  
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**Disposition Authority:** buchantr  
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**TAGS:** PINR, PINS, ECON, PFOR, VS, (THIEU, NGUYEN VAN)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006